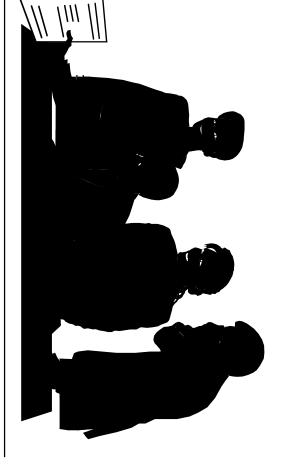
Contract Negotiation Techniques

Competitive Discussions

Chapter 8



Federal Acquisition Institute General Services Administration

Competitive Discussions Defined

- Meaningful communication with multiple offerors
- Communicates information essential in determining proposal acceptability
- Provides offerors with opportunity to revise initial proposal

Text 8.0, p. 116

Bargaining Environment Differences

- Increased government bargaining power
- Multiple sources instead of a single source
- Competition between offerors
- Unfavorable aspects
- Unrealistically low offers ("buy-in")
- Government temptation to use win/lose tactics and break rules
- Collusion between offerors
- Use of unsavory methods to illicitly obtain information

Text 8.1, 117

Distinguishing Characteristics

- Non-price evaluation factors
- Technical appraisal
- Business and management assessment
- Past performance
- Discussion with offers in competitive range
- Desired outcome:
- not reach final agreement
- persuade offeror to submit an improved BAFO

Text 8.2, p. 118

Possible Outcomes

- BAFO improved per discussion
- **BAFO unchanged**
- Unexpected BAFO changes

Text 8.2, p. 119

Competitive Discussion Steps

- Safeguard confidential information
- Brief government team on special rules
- Conduct discussions
- resolve technical uncertainties
- disclose deficiencies
- provide opportunity to revise BAFO
- **Evaluate BAFOs**
- make recommendations to SSA
- debrief losing offerors

Text 8.2, p. 120

Special Rules

Disclosing Deficiencies

Disclose deficiencies without providing comparisons with competing proposals, such as:

- Failure to meet specifications
- Failure to submit required information
- Unrealistic cost estimates
- Questionable technical or management approaches

Text 8.4, p. 121

Special Rules

What You Cannot Do

- Disclose information about other offers
- Use auction techniques
- Engage in technical transfusion
- Engage in technical leveling

Text 8.4, p. 122

What You Must Do

- Treat all offerors the same
- Identify suspected technical uncertainties
- Identify suspected pricing deficiencies
- Over-estimates
- Mistakes (under-estimates)
- Provide opportunity to revise proposal

Text 8.4, p. 122

What You Can Do

- Point out proposal variations from RFP
- Discuss potential tradeoffs

Persuade the offeror to improve on price in the BAFO

- Point to indicators that price is too high
- Data from that offeror
- Historical prices
- Commercial prices
- Reach informal agreement
- Cost-estimating relationships
- Reach informal agreement